

VICTORIAN  
EGG  
MARKETING  
BOARD

OFFICE  
OF THE  
CHAIRMAN

DJF/JV  
Ref:26/200

3rd December, 1985

Mr. M. John MLA,  
Bennetts Road,  
JUNORTOUN 3551

WITH COMPLIMENTS OF  
MICHAEL JOHN M.P.  
MEMBER FOR BENDIGO EAST

Dear Mr. John,

The Victorian Egg Board has announced a programme to phase out transport subsidies in the Egg Industry by 1989.

The question of future transport subsidies in the Egg Industry is a complicated one and the Board recognises that Members of Parliament may receive representations on this subject from constituents who may be affected by the proposal. For this reason, the Board has prepared an information leaflet covering the major facets of the proposal (copy attached) but I would be pleased to provide any further details required.

Yours faithfully,  
THE VICTORIAN EGG MARKETING BOARD

*D.J. Foster*  
D.J. FOSTER  
Chairman

Enc.

551 Chandler Rd.,  
Keysborough,  
Victoria,  
Australia, 3173.  
Telephone (03) 798 7077  
Postal Address:  
P.O. Box 141  
Noble Park, 3174.  
Telex: AA 39540.

# EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria

WITH COMPLIMENTS OF  
MICHAEL JOHN M.P.  
MEMBER FOR BENDIGO EAST



December, 1985

## THE FUTURE OF TRANSPORT SUBSIDIES IN THE VICTORIAN EGG INDUSTRY

Since 1937, transport costs incurred in moving eggs from designated grading floors or receiving and selling depots to the market or to the Board's egg products plant, have been paid through an equalization fund.

This fund is financed by a levy on all eggs produced. In 1984/85, transport subsidies totalled \$710,000 which required a levy of 1.44 cents per dozen on all eggs produced.

While this scheme can be defended on the basis that it has been in place since 1937, inefficiencies have developed in egg distribution and the Board believes that transport subsidies must now be phased out for the following reasons:-

- (a) Against a background where the Board is anxious to reduce levies and administration costs, the transport subsidy has been increasing significantly as transport costs rise. For the current year, total transport subsidies are estimated to be \$800,000 or 1.6 cents per dozen on all eggs produced.
- (b) Over the past 10 years, hen quota has moved from the metropolitan area to such country areas as Mount Beauty, Terang, Queenscliffe and Murrayville. The eggs produced still have to be transported to the Melbourne market but the true cost of this operation to the producers concerned has been hidden by the transport equalization scheme.
- (c) No other primary industry subsidises the transport of the produce to the market and the recent removal of transport subsidies by the N.S.W. Egg Corporation means that Victoria is the only State where transport subsidies still apply in the Egg Industry.

To provide clear signals to producers of the true costs and benefits related to siting egg production units, the Board has decided to phase out transport subsidies by 1989. The details of the programme have not yet been finalized and the Board is in the process of consulting with all sectors of the Industry to arrive at the final plan. Nevertheless, the Board considers that certain fundamental factors are essential:-

- (a) All subsidies must be removed by 1989.
- (b) The subsidies related to depots should be phased out at an earlier date than the three grading floors at Bendigo, Mildura and Thomastown.

.... / 2

- (c) As transport subsidies are phased out, the costs will be applied against specific eggs on the "user pays" principle.

While consultations with the Industry are continuing, the Board has drafted a preferred option for the phase out of the transport subsidies as follows:-

Phase out of transport subsidies

A - DEPOTS

	<u>Cost</u> <u>1984/85</u>
<u>MILDURA</u>	
- Cartage of ungraded eggs from Murrayville area to Mildura grading floor	\$12,819
Subsidy: 100% removed from 30/6/1986	
<u>GIPPSLAND</u>	
- Cartage of eggs and packing material to Gippsland depots.	\$43,337
Subsidy: 100% removed from 30/6/1986	
<u>GEEELONG</u>	
- Cartage of eggs and packing material - Geelong depot to Melbourne	\$49,205
Subsidy: 50% removed from 30/6/1986 50% removed from 30/6/1987	
<u>EUROA</u>	
- Cartage of eggs and packing material - Euroa depot to Melbourne	\$88,791
Subsidy: 50% removed from 30/6/1986 50% removed from 30/6/1987	
- Cartage of eggs and packing material - Ballarat depot to Melbourne	\$49,205
Subsidy: 50% removed on 30/6/1986 50% removed on 30/6/1987	
<u>SELLING DEPOTS</u>	
- Cartage of graded eggs to country selling depots	\$79,105
Subsidy: 100% removed from 30/6/1987	
- Cartage of frozen products to selling depots	\$24,281
Subsidy: 100% removed from 30/6/1986	

The above recommendations also imply that any increases in transport costs from 1st January 1986 onwards would not be met by the Board. Cost increases would have to be applied against the particular eggs being transported - if ungraded, or pack-to-order, they would be a charge against the producer; if transported for sale, costs would be added to the wholesale price.

B - GRADING FLOORS

<u>Location</u>	<u>1984/85 Throughput (M.doz.)</u>	<u>1984/85 Subsidy</u>	<u>Recommended Future Subsidy</u>	<u>Additional Transport Cost ¢/doz.</u>	<u>Reduction in Adminis- tration levy ¢/doz.</u>	<u>Nett Cost (Benefit)</u>
Bendigo	6.06	\$237,410	1986/87 @ 100%			-
			1987/88 @ 66%	1.30	(0.46)	0.84
			1988/89 @ 33%	3.61	(0.92)	2.69
			1989/90 @ 0%	3.92	(1.4)	2.52
Mildura	0.918	\$ 36,610	1986/87 @ 100%			
			1987/88 @ 66%	1.33	(0.46)	0.87
			1988/89 @ 33%	2.66	(0.92)	1.74
			1989/90 @ 0%	3.99	(1.4)	2.59
Neylon	6.947	\$ 24,700	1986/87 @ 100%			
			1987/88 @ 66%	0.12	(0.46)	(0.34)
			1988/89 @ 33%	0.24	(0.92)	(0.68)
			1989/90 @ 0%	0.36	(1.4)	(0.04)

When all dockage subsidies are withdrawn on the 1st July 1989, all poultry farmers will receive the full benefit of the cost savings which would be 1.4 cents per dozen on 1984/85 costs. These savings will be returned to producers through reduced administration costs.

THE VICTORIAN EGG MARKETING BOARD

WITH COMPLIMENTS OF  
MICHAEL JOHN M.P.  
MEMBER FOR BENDIGO EAST

December, 1985

*Phoned Ron  
16/12/85*THE FUTURE OF TRANSPORT SUBSIDIES  
IN THE VICTORIAN EGG INDUSTRY

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THE VICTORIAN EGG MARKETING BOARD



## LEGISLATIVE COUNCIL

PARLIAMENT HOUSE, MELBOURNE, VIC. 3002

Electorate Office,  
20 Bath Lane,  
BENDIGO. 3550.

TELEPHONE 651 8911

054 430155  
430680

December 13, 1985.

Mr. Rae Broadbent,  
Secretary,  
Bendigo Commercial & Industrial  
Egg Producers Association,  
R.S.D.  
BRIDGEWATER. 3516.

Dear Rae,

RE: TRANSPORT SUBSIDIES.

Enclosed herewith is information I received from the Victorian Egg Marketing Board, on their program for phasing out transport subsidies in the egg industry by 1989.

Your association may have been advised already, however, I thought you should have a copy for your records.

Further copies can be made available if required.

With kindest regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ken Wright'.

KEN WRIGHT M.L.C.  
Member for North Western Province.



Electorate Office,  
20 Bath Lane,  
BENDIGO. 3550.

## LEGISLATIVE COUNCIL

PARLIAMENT HOUSE, MELBOURNE, VIC. 3002

TELEPHONE 651 8911

054 430155  
430680

December 13, 1985.

Mr. J. Heard,  
Secretary, South Bendigo Commercial  
Egg Producers Association,  
Wicks Road,  
MAIDEN GULLY. 3550.

Dear Mr. Heard,

RE: TRANSPORT SUBSIDIES.

Enclosed herewith is information on the above subject received from the Egg Marketing Board, phasing out subsidies by 1989.

I trust you will find this information helpful, and should you require any further copies, they can be made available for you.

With kindest regards,

Yours sincerely,

A handwritten signature in blue ink that reads "Ken Wright".

KEN WRIGHT M.L.C.  
Member for North Western Province.

# Commercial Egg Producers Association

BENDIGO AND SOUTH BENDIGO BRANCHES

Bendigo, 19 / 12 / 1985

Mr. B. Dunn M.L.C.

P.O. Box 427

Warracknabeal.

Dear Mr. Dunn, *On behalf of the above branches I am writing*  
The above branches of the C.E.P.A. have asked that I contact  
you ~~write~~ requesting that you receive a deputation  
from their members to discuss the  
legal aspects of the planned dockage  
changes & to discuss other relevant  
matters to do with the Egg Board.

If you are coming to B'go &  
have the time, members would be  
available or alternatively will travel  
to Warracknabeal in order to meet with  
you.

Hoping this can be arranged

17 / 12 ~~1~~ 85

MR. B. Perry  
C/O Allied Mills  
P.O.Box 353  
North Melbourne

Dear Mr. Perry,

The above branches of the C.E.P.A. have moved that I contact you to ask if you or a representative would be willing to attend one of our meetings in the new year to speak about the proposed operation of Allied Farms in this area.

Our meetings are held on the second Monday of each month.

We do not have a meeting in January, but I can be contacted by phone 054- 479339 or the address below if you can oblige us for February or a later month.

*J. Heard.*  
Yours sincerely

Joan Heard  
Wicks Rd.,  
Maiden Gully. 355I

ELECTORATE OFFICE:  
SHOP 2, VICTORIA LANE,  
PALL MALL, BENDIGO,  
VIC. 3550.  
PHONE: (054) 43 2144



LEGISLATIVE ASSEMBLY  
PARLIAMENT HOUSE  
MELBOURNE, VIC. 3002  
TELEPHONE: 651 8911  
EXT. 324

Please address all correspondence to:

P.O. BOX 909,  
BENDIGO, 3550.

**MICHAEL JOHN, M.P.**

Member for Bendigo East

1025/85

30th December, 1985

Mrs Joan Heard  
Commercial Egg Producers Association  
Wicks Road  
MAIDEN GULLY VIC 3551.

Dear Mrs Heard

RE: Proposal by Victorian Egg Marketing Board to  
Phase Out Transport Subsidies :

Concern has been expressed to me about the V.E.M.B.'s proposal to abolish transport subsidies over the next three years. I have had discussions regarding the matter with Mr Richard Guy of Crystal Egg Company and I am writing to you to enquire as to the views of the Producers whom you represent in our area.

I would be available to discuss the matter with you if thought desirable and to make representations to the V.E.M.B. if you believe that this would assist in ensuring that our local industry remains viable.

Yours faithfully

A handwritten signature in blue ink that reads "Michael John".

MICHAEL JOHN, M.P.  
STATE MEMBER FOR BENDIGO EAST  
SECRETARY TO SHADOW CABINET.

c.c. Mr Ron Robins, Harcourt  
Mr Dennis Oakes, Golden Square.



ELECTORATE OFFICE:  
SHOP 2, VICTORIA LANE,  
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BENDIGO, 3550.

**MICHAEL JOHN, M.P.**

Member for Bendigo East

994/85

12th December, 1985

Mrs Joan Heard  
Commercial Egg Producers Association  
Wicks Road  
MAIDEN GULLY VIC 3551.

Dear Mrs Heard

RE: Victorian Egg Marketing Board :

I enclose a copy of a letter dated 3rd December, 1985, which I have received from the Chairman of the Victorian Egg Marketing Board, together with a copy of the information leaflet forwarded.

Please let me know if you would like me to take any action into the matter.

With kind regards,

Yours sincerely

MICHAEL JOHN, M.P.  
STATE MEMBER FOR BENDIGO EAST.

enc - 1.

9/12/85



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SHOP 2, VICTORIA LANE,  
FALL MALL, BENDIGO,  
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P.O. BOX 909,  
BENDIGO, 3550.

**MICHAEL JOHN, M.P.**

Member for Bendigo East

855/85

11th November, 1985

Ms. Joan Heard  
Commercial Egg Producers Association  
Wicks Road  
MAIDEN GULLY VIC 3551.

Dear Ms. Heard

Thank you for your letter of the 5th November, 1985, keeping me informed of the views of your Branch.

Yours sincerely

MICHAEL JOHN, M.L.A.  
STATE MEMBER FOR BENDIGO EAST.